

Barita

INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 3 MONTHS ENDED DECEMBER 31, 2012.

Chairman's Statement

Barita kicks off the First Quarter 53% higher, posting \$78m net profit

Barita Investments Limited posted a strong profit for the first quarter of the financial year that began October 1, 2012. The Group started the year 53% higher than the prior period, recording a profit after tax of \$78 million. These results reflected earnings per share of \$0.17c compared to \$0.11c in the prior year. Due to the challenges facing our market, the Group registered a \$4 million decrease in net interest income for the quarter, amounting to \$143 million.

Translation gains had a significant impact on profits, contributing \$31 million of the \$78 million profits recorded. This was due in large part to the 3.3% devaluation of the Jamaican dollar in the first quarter of our 2012 financial year. In addition, due to significant dividend payouts during the last quarter of the calendar year from a number of blue-chip companies, Barita Investments Limited saw a 247% increase in dividend income.

Barita continues to recognise the need to diversify our revenue streams by increasing our product offering and growing our non-interest income. One such initiative was the Tuition Builder product, which has seen a 25% increase in its unit price since its inception in October 2010. Funds under management for our Money Market Fund and Capital Growth Fund collectively grew by 14% to \$3 billion. This push in building our non-interest income resulted in Barita Unit Trusts Management Co. Ltd. recording significant improvement in our top and bottom line performances, where revenues grew by 26% amounting to \$22million and profits increased by 224% in our first quarter.

As we continue to seek improvement in the operational efficiencies of our business, total expenses saw an increase of 10%. With 12 month inflation

coming in at 8% as at December, the 10% increase in operational costs points to management's successful cost containment efforts.

Income Statement

Barita Investments' performance for the period resulted in a 53% or \$27M rise in net profit over the same period in the prior year. The main drivers for this performance were increases in dividend income, foreign exchange trading and translation gains, and gain on sale of investment increasing by \$3.7M, \$40M and \$4M respectively.

Net operating income for the period under review totalled \$228 million compared to \$190 million for the same period last year. Operating expenses at the end of the first quarter were \$120 million compared to \$109 million for the same period of 2011.

Balance Sheet

Our asset base showed a \$947 million or 7% decrease over prior year, from \$14.2 billion to \$13.3 billion, while our liabilities also decreased by \$852 million or 7%. At the end of December 31, 2012, shareholders equity stood at \$1.7 billion. Based on the Company's 12 month trailing performance, return on equity ended the period at 16.5%, reflecting an improvement of 25%. In addition to this, return on assets improved to 2.13% reflecting an increase of 27% compared to prior year.

Capital Adequacy

Increased capital requirements by our main regulators continue to impact capital ratios. Barita Investments Limited however remains adequately capitalized. The Capital base of Barita Investments Limited remains above

regulatory requirements as the following key ratios indicate:

	FSC Requirement	Barita Achievement
Capital to Risk Weighted Asset	10%	19%
Capital to Total Asset	6%	12%
Capital Base to Tier 1 Capital	50%	100%

Outlook

Our goal as a Company is to continue to increase shareholder value through prudent money management. We are thankful for the support we have received, that has enabled us to keep our record of never posting a loss.

As we strategise to meet the challenges that will no doubt arise during the rest of our financial year, we at Barita remain driven. We are resolute in our belief that opportunities exist that will allow us to continue to maximise returns for all of our stakeholders.



Rita Humphries-Lewin
Chairman
January 22, 2013

CONSOLIDATED PROFIT & LOSS STATEMENT

AS AT DECEMBER 31, 2012

	UNAUDITED 3 Months Ended Dec 31 2012 \$	UNAUDITED 3 Months Ended Dec 31 2011 \$
Net Interest Income and Other Revenue		
Interest Income	301,317	331,468
Interest cost of Repurchase Agreements	(158,436)	(184,515)
Net Interest Income	142,881	146,953
Fees and Commission Income	18,397	25,046
Foreign Exchange Trading and translation gains	35,918	(4,165)
Gain/Loss on Sale of Investment	25,966	22,042
Dividend Income	5,171	1,490
Other Income	79	(1,836)
Net Operating Revenue	228,412	189,531
Operating Expenses		
Staff Costs	56,828	62,315
Administration	63,587	46,902
	120,415	109,217
Profit before Taxation	107,997	80,315
Taxation	(30,409)	(29,722)
NET PROFIT/(LOSS) FOR THE PERIOD	77,588	50,592
Number of Shares in Issue	445,877	445,877
Earnings per stock unit	0.17	0.11

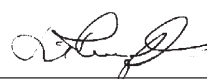
Basis of Preparation

These consolidated financial statements have been prepared in accordance with the accounting policies set out in note 2 of the audited financial statements for the year ended 30 September 2012.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012

Note	Unaudited DECEMBER 2012 \$,000	Unaudited DECEMBER 2011 \$,000	Audited SEPTEMBER 2012 \$,000
ASSETS			
Cash and bank balances	570,052	123,633	122,144
Securities purchased under resale agreements	698,889	487,407	1,308,449
Marketable securities	10,858,921	12,443,351	6,089,173
Pledged Assets	115,000	45,000	5,102,514
Receivables	411,583	500,195	418,754
Loan receivables	114,902	90,438	106,505
Interest receivables	261,861	303,024	181,268
Due from related parties	(5,342)	(6,504)	13,751
Property, plant and equipment	224,136	210,320	220,092
Investments	2	2	2
Total assets	13,250,005	14,196,866	13,562,652
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	308,361	53,890	2,851
Securities sold under repurchase agreements	10,821,625	11,431,434	11,194,123
Payables	199,544	248,876	188,172
Interest Payable	82,432	107,879	93,400
Due to related parties	0	0	582
Redeemable Preference Shares	0	204,714	206,507
Convertible Preference Shares	0	3,460	3,460
Deferred tax liabilities	130,246	344,204	172,184
Total Liabilities	11,542,208	12,394,455	11,861,279
Shareholders' Equity			
Stated capital	765,154	765,154	765,154
Treasury shares	(10,145)	(10,145)	(10,145)
Capital reserve	28,505	1,101	28,506
Fair value reserve	92,681	456,529	163,845
Retained earnings	831,601	589,771	754,013
Total shareholders' equity	1,707,797	1,802,411	1,701,373
Total liabilities and shareholders' equity	13,250,005	14,196,866	13,562,652



Rita Humphries-Lewin – Chairman



Carl Domville – Director

Barita INVESTMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 3 MONTHS ENDED DECEMBER 31, 2012, CONT'D.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS ENDED DECEMBER 2012

	Stated Capital \$,000	Preference Shares	Treasury Shares \$,000	Capital Reserve \$,000	Fair Value Reserve \$,000	Retained Earnings \$,000	Total \$,000
Balance at 30 September 2011	765,154	0	(10,145)	28,506	436,876	539,179	1,759,570
Profit for the period						50,592	
Other Comprehensive Income:							
Unrealised losses on available-for resale investments net of taxes					41,695		41,695
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(22,042)		(22,042)
Revaluation surplus, net of taxes				(27,405)	19,653		(7,752)
Net profit						50,592	50,592
Total recognised income/(losses) to December 2011					19,653	50,592	42,841
Issue of Ordinary shares							0
Purchase of treasury shares			(10,145)				
Balance at 31 December 2011	765,154	0	(10,145)	(26,304)	456,529	589,771	1,802,411
Balance at 31 September 2012	765,154	0	(10,145)	28,506	163,845	754,013	1,701,373
Profit for the period						77,588	
Other Comprehensive Income:							
Unrealised gain on available-for resale investments net of taxes					(45,198)		(45,198)
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments					(25,966)		(25,966)
Revaluation surplus, net of taxes				0	(71,164)		(71,164)
Net profit						77,588	77,588
Total Comprehensive Income				0	(71,164)	77,588	6,424
Ordinary Dividends Paid							0
Sale of Treasury shares		0					0
Balance at 31 December 2012	765,154	0	(10,145)	28,506	92,681	831,601	1,707,797

STATEMENT OF COMPREHENSIVE INCOME FOR THE 3 MONTHS ENDED DECEMBER 2012

	UNAUDITED 3 Months Ended Dec 30 2012 \$,000	UNAUDITED 3 Months Ended Dec 30 2011 \$,000
Profit for period	77,588	50,592
Unrealised gain on available-for resale investments net of taxes	(45,198)	41,695
Total Comprehensive Income	32,390	92,288

CONSOLIDATED STATEMENT OF CASH FLOWS AS AT DECEMBER 31, 2012

	Unaudited 3 Months Ended DEC 31, 2012 \$,000	Unaudited 3 Months Ended DEC 31, 2011 \$,000
Cash Flows from Operating Activities		
Net Profit	77,588	50,592
Adjusted for:		
Depreciation	3,650	3,232
Effect of exchange gain/loss on foreign balances	(31,105)	7,206
Interest income	(301,317)	(331,468)
Interest expense	158,436	184,515
Income tax expense	30,409	29,722
	(62,338)	(56,201)
Changes in operating assets and liabilities		
Marketable securities	285,932	(172,948)
Securities purchased under resale agreements	609,560	978,298
Securities sold under repurchase agreements	(427,505)	(766,796)
Receivables	7,171	(59,722)
Loans receivable	(8,397)	(16,685)
Payables	11,372	52,730
Due from related companies	7,827	12,801
	485,960	27,677
Interest received	219,854	217,280
Interest paid	(161,218)	(174,630)
Income tax paid	(30,409)	(29,722)
Cash provided by operating activities	28,227	12,928
Cash Flows from Investing/financing Activities		
Proceeds from the disposal of property, plant and equipment		
Proceeds from sale of ordinary shares and irredeemable preference shares	(313,590)	0
Interest paid on preference shares	(12,087)	(13,000)
Purchase of property, plant and equipment	(4,044)	(10,105)
Cash provided by investing/financing activities	(329,721)	(23,105)
Effect of exchange rate on cash and cash equivalents	20,269	1,081
Decrease/(increase) in net cash and cash equivalents	142,398	(37,619)
Net cash and cash equivalents at beginning of year	119,293	107,362
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	261,691	69,743